NEBRASKA DEPARTMENT OF INSURANCE

JUL 15 2004

BEFORE THE DEPARTMENT OF INSURANCE STATE OF NEBRASKA

FILED

STATE OF NEBRASKA)	CAUSE NO.: A-1561	
DEPARTMENT OF INSURANCE,)		
)		
PETITIONER,)		
)	FINDINGS OF FACT,	
VS.)	CONCLUSIONS OF LAW,	
)	RECOMMENDED ORDER AND	
SHANNON L. RUTAN,)	ORDER	
)		
RESPONDENT.)		

This matter came on for hearing on the 14th day of July, 2004, before Christine M. Neighbors, a hearing officer duly appointed by the Director of the Nebraska Department of Insurance. The Nebraska Department of Insurance ("Department") was represented by its attorney, Janette Adair. Shannon L. Rutan ("Respondent") was not present and was not represented by counsel. The Rules of Evidence were not requested and the hearing was governed accordingly. The proceedings were tape recorded by Tracy Gruhn, a licensed Notary Public. Evidence was introduced and the matter taken under advisement. As a result of the hearing, the hearing officer makes the following Findings of Fact, Conclusions of Law, and Recommended Order.

FINDINGS OF FACT

- 1. Respondent is a licensed non-resident insurance producer whose registered address with the Department is 151 North Avenue, Waynesburg, PA 15370 (Ex. 2, 3).
- 2. The Department is the agency of the State of Nebraska charged with licensing insurance producers.
- 3. On or about May 26, 2004, the Petition and Notice of Hearing were served upon Respondent by mailing the same to her address of record by certified mail, return receipt requested. On or about June 21, 2004, the certified letter was returned to the

Department marked "Unclaimed" as evidenced by the attachment to Exhibit 1. Noting that the initial mailing had the name "Sharon" instead of "Shannon", the Department remailed the Petition and Notice of Hearing with the Respondent's correct name on or about June 22, 2004. As of the date of hearing, the Department had not received the certified return receipt card nor had the mailing been returned to the Department.

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- 4. The Department informed Respondent of the requirement for an annual certified public accountant audit required pursuant to *Neb. Rev. Stat.* §44-19,116 by Notice of December 17, 2003 sent to all title insurance agents by U.S. Mail, postage prepaid. (Ex. 1). Said letter was not returned to the Department.
- 5. Pursuant to *Neb. Rev. Stat.* §44-19,116, all title insurance producers were to have an audit conducted by a certified public accountant. Said audit was to cover the period of the previous calendar year and a copy submitted to the Department by March 31, 2004. See 210 *Neb. Admin. R. & Regs.* 34-007 (2004).
- 6. Respondent did not file an audit report with the Department by March 31, 2004. (Ex. 2).
- 7. On or about April 9, 2004, the Department sent a letter to Respondent regarding Respondent's failure to file the annual certified public accountant audit and informing her of the penalties for her failure to file the audit report or notify the Department of an exemption from the requirement. (Ex. 2).
- 8. Respondent did not respond to the Department's letters nor did Respondent file the required certified public accountant audit report. (Ex. 2).

CONCLUSIONS OF LAW

- 1. The Department has jurisdiction and control over the licensing of Respondent to sell insurance in the State of Nebraska pursuant to *Neb. Rev. Stat.* §44-4041 *et seq.*
 - 2. The Department has personal jurisdiction over Respondent.
- 3. Respondent violated Neb. Rev. Stat. §44-19,116 (2) and 210 Neb. Admin. R. & Regs. 34-007.

RECOMMENDED ORDER

Based on the Findings of Fact and Conclusions of Law, it is recommended that Respondent's insurance producer's license be revoked.

Dated this 54 day of July, 2004.

STATE OF NEBRASKA

DEPARTMENT OF INSURANCE

Christine Neighbors

Hearing Officer

CERTIFICATE OF ADOPTION

I have reviewed the foregoing Findings of Fact, Conclusions of Law, and Recommended Order and hereby certify that the Recommended Order is adopted as the official and final Order of this Department in the matter of State of Nebraska Department of Insurance v. Shannon L. Rutan, Cause No.: A-1561.

Dated this 15 th day of July, 2004.

STATE OF NEBRASKA

DEPARTMENT OF INSURANCE

L. TIM WAGNER

Director of Insurance

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Findings of Fact, Conclusions of Law, Recommended Order and Order was served upon the Respondent by mailing a copy to Respondent at 151 North Avenue, Waynesburg, PA 15370 by certified mail, return receipt requested on this ______day of July, 2004.